



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

BARBARA ALBY
Acting Member
Second District, Sacramento

KRISTINE CAZADD
Interim Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
November 16-18, 2010
NOTICE AND AGENDA
Meeting Agenda (as of 5:00 p.m., 11/05/10)

Agenda Changes

[Webcast on Tuesday, November 16, 2010](#)

Tuesday, November 16, 2010

10:00 a.m. Board Committee Meetings Convene*

Board Meeting Convenes upon Adjournment of the Board Committee Meetings**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Committee Meetings*

[Business Taxes Committee](#).....Ms. Yee, Committee Chairwoman

1. Classifying Wine-Based Products for Taxation Purposes
Approval sought to begin an interested parties process to discuss the need for rulemaking to clarify the alcoholic beverage tax treatment for wine-based products containing distilled alcohol.

[Legislative Committee](#).....Mr. Horton, Committee Chair

I. 2011 Legislative Proposals for discussion only; proposals to be voted on in January 2011.

Set forth below are suggestions for business taxes and administration legislation to be sponsored by the BOE in the first year of the 2011-12 Legislative Session. Additional suggestions will be included on the agenda for December 2010.

2011 Legislative Proposals: Business Taxes

- 2-1 Amend Section 6591.5 of the Revenue and Taxation Code to revise the interest calculation provisions in the tax and fee programs the BOE administers so that the rate of interest allowed on refunds of tax and fee overpayments is the same as that calculated on late payments.

- 2-2 Amend Revenue and Taxation Code Section 6829 of the Sales and Use Tax Law to include imposition of personal liability on responsible persons of a closely held corporation or closely held limited liability company (LLC) for liabilities arising during a period of suspension of that closely held corporation or closely held LLC, but only if the corporation or LLC is not revived within 60 days of the imposition of the suspension. Further, add statutes comparable to Section 6829, as amended, to those BOE-administered special tax and fee programs where circumstances would warrant the imposition of personal liability on an officer, partner, member, manager, or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of taxes or fees for a corporation, partnership, limited partnership, limited liability partnership, or LLC that has been terminated, dissolved or abandoned or on a responsible person of a closely held corporation or closely held LLC that has been suspended without being timely revived.
- 2-3 Amend Revenue and Taxation Code Sections 6480.1 and 60116 of the Sales and Use Tax Law and Diesel Fuel Tax Law, respectively, to make technical and administrative changes related to the fuel tax swap legislation. Both the prepayment rate of the sales tax and the Interstate User rate for diesel fuel have adjustment dates that would be changed to coincide with the annual diesel and gasoline fuel excise tax rate adjustment, as specified in the fuel tax swap bills.

2011 Legislative Proposals: Business Taxes - Sales and Use Taxes

- 3-1 Amend Revenue and Taxation Code Section 6203 of the Sales and Use Tax Law to expand the definition of "retailer engaged in business in this state" for purposes of enforcing California's Use Tax Law to the fullest extent.
- 3-2 Add Revenue and Taxation Code Section 6593.7 to the Sales and Use Tax Law to authorize the Members of the BOE, meeting as a public body, to relieve all or any part of interest imposed on a late payment if the Members find, in their discretion, that a person's late payment was due to extraordinary circumstances and that it is inequitable to compute interest as the law requires, under specified circumstances.
- 3-3 Amend Revenue and Taxation Code Sections 6055 and 6203.5 of the Sales and Use Tax Law to remove the requirement that retailers and lenders file an election form with the BOE prior to claiming a bad debt in the case of accounts held by a lender that have been found worthless and written off by the lender.
- 3-4 Amend Civil Code Section 1793.25 to allow the BOE to reimburse a manufacturer of a new motor vehicle for the use tax the manufacturer refunds to a buyer or lessee when the new motor vehicle is reacquired by the manufacturer pursuant to California's "Lemon Law."

- 3-5 Amend Business and Professions Code Section 7145.5 to authorize the BOE to request the Contractor's State License Board for a denial or suspension of a contractor's license for failure to resolve any outstanding final tax or fee liabilities.
- 3-6 Amend Unemployment Insurance Code Section 1088.5 to allow the BOE to use the new employee registry information maintained by the Employment Development Department for tax enforcement purposes.

2011 Legislative Proposals: Business Taxes - Special Taxes and Fees

- 4-1 Amend Revenue and Taxation Code Sections 41031 and 41032 of the Emergency Telephone Users Surcharge Law to remove the requirement for the BOE to publish in its meeting minutes the emergency telephone users surcharge rate set by the California Technology Agency (CTA).

2011 Legislative Proposals: Administration

- 5-1 Amend Government Code Sections 17280.1 and 17280.2 to specifically provide that the BOE shall accept registered warrants as payment for any tax, surcharge, or fee liability to the BOE if the registered warrant is issued specifically to that tax, fee, or surcharge payer.

II. Table of Sections Scheduled to Sunset by January 1, 2013

Notification of law sections administered by the BOE that will sunset by January 1, 2013.

Board Meeting**

- A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.
- B. **Corporate Franchise and Personal Income Tax Hearings**
These items are scheduled for Wednesday, November 17 and Thursday, November 18, 2010.
- C. **Sales and Use Tax Appeals Hearings**
These items are scheduled for Wednesday, November 17 and Thursday, November 18, 2010.
- D. **Special Taxes Appeals Hearing**
This item is scheduled for Thursday, November 18, 2010.

E. Property Tax Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

Petition for Reassessment of Unitary Value

- E1. Cbeyond Communications, LLC (8049), 538673 'CF' +**
For Petitioner: Joe Molina, Representative
For Department: Richard Moon, Tax Counsel

F. Public Hearings

There are no items for this matter.

The following matters are scheduled for Wednesday, November 17, 2010.

G. Tax Program Nonappearance Matters – Consent**H. Tax Program Nonappearance Matters – Adjudicatory****I. Tax Program Nonappearance Matters****Chief Counsel Matters****J. Rulemaking****Section 100 Changes**

- J1. Amendments to Regulation 1584, *Membership Fees* +Mr. Heller**
Approval sought to adjust the threshold for the nominal amount of membership fees to \$55 effective January 1, 2011, to reflect changes in the California Consumer Price Index.
- J2. Amendments to Regulation 1533.1, *Farm Equipment and Machinery* +Mr. Heller**
Approval sought to correct a cross-referencing error currently found in subdivision (b)(5).

There are no items for the following matters:

- K. Business Taxes**
L. Property Taxes
M. Other Chief Counsel Matters

Administrative Session

The following items are scheduled for Thursday, November 18, 2010.

N. Consent Agenda**O. Adoption of Board Committee Reports and Approval of Committee Actions**

P. Other Administrative Matters

There are no items for the following matters:

P1. Executive Director's Report

P2. Chief Counsel Report

P3. Sales and Use Tax Deputy Director's Report

P4. Property and Special Taxes Deputy Director's Report..... Mr. Gau

1. [Approval of Determination of Proposition 10 on Cigarette and Tobacco Products Consumption +](#)

Section 130105(c) of the Health and Safety Code requires the Board to determine the effect of Proposition 10 on the consumption of cigarettes and tobacco products and directs that a transfer of funds to certain Proposition 99 and Breast Cancer programs be made to backfill for revenue losses to those programs resulting from consumption changes triggered by Proposition 10. The intent is to keep the funding levels of such programs from declining any more than they would have decreased without the Proposition 10 tax increase.

P5. [Administration Deputy Director's Report +](#) Ms. Houser

1. Facilities Update

These items provide information and may require Board action or direction.

a. Headquarters Facilities

Update on the Headquarters remediation project.

b. Headquarters Annex

Update on the Headquarters annex locations.

2. Budget Update

These items provide information and may require Board action or direction.

a. Information to the Board regarding the Governor's 2010/11

Budget and pending Budget Change Proposals (BCP's) for the 2011/12 fiscal year.

3. Tentative Union Agreements, Furlough Plan and Layoffs

These items provide information and may require Board action or direction.

a. Information to the Board regarding employee

compensation items in the 2010/11 Budget, tentative Union Agreements, Governor's Executive Order S-12-10, State Employee Furlough, and layoffs.

P6. Technology Deputy Director's Report

There are no items for this matter.

Q. Closed Session

These items are scheduled for Thursday, November 18, 2010.

2:00 p.m. Board Meeting Reconvenes****Annual Board Meeting with County Assessors**

1. Greetings and Introductory Remarks by each Board Member
2. Opening Remarks by California Assessors' Association
Honorable Ron Thomsen, President, California Assessors' Association
Honorable Doug Wacker, President Elect, California Assessors' Association
3. Updates from the Board
David J. Gau, Deputy Director, Property and Special Taxes Department
 - a. Personnel and Facility Changes Mr. Gau
 - b. [Recently Enacted Property Tax Legislation +](#) Ms. Shedd
 - c. Significant Legal Opinions, Issues, and Litigation Mr. Moon
 - d. Property Tax Projects, Training, and Forms Mr. Kinnee

Adjourn - The meeting will reconvene on Wednesday, November 17, 2010, at 9:30 a.m.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this Item.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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Board Meeting**

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

B1. [Rambus, Inc., 512010 +](#)

For Appellant: Eric M. Anderson, Representative
For Franchise Tax Board: Melissa Potter, Tax Counsel
Jeff Margolis, Tax Counsel

B2. [Charles P. Franklin, 417829 +](#)

For Appellant: Eric M. Anderson, Representative
For Franchise Tax Board: Daniel Biedler, Tax Counsel
Ann Hodges, Tax Counsel

B3. [James Tracy and Therese Tracy, 505057 +](#)

For Appellant: Lawrence A. Jacobson, Attorney
For Franchise Tax Board: Maria Brosterhouse, Tax Counsel
Ann Hodges, Tax Counsel

G. Tax Program Nonappearance Matters – Consent(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)**G1. Legal Appeals MattersMr. Levine**

- Hearing Notices Sent – No Response
 - 1a. Crenshaw Motors, Inc., 356203 (AS)
 - 1b. Raymond Simmons, 415283 (AS)
 2. Selim & Dabbas Import & Export, Inc., 293078 (GH)
 3. Hemraj C. Singh, 468198 (KH)
 - 4a. Chris M. Lamoreaux, 328782 (KH)
 - 4b. Jason Wayne Lamoreaux, 328794 (KH)
- Hearing Notice Sent – Appearance Waived
 5. Eel River Fuels, Inc., 511249 (JH)
- Petitions for Release of Seized Property
 6. Club Havana Premium Cigars, LLC, 535644 (ET)
 7. Bargain Cigarettes 1, 536568 (ET)
 8. Kassem A. Mohamed and Munir Gazem Obaid, 535640 (ET)
 9. William Lloyd Thomas and William Lloyd Thomas, Jr., 536515 (ET)
 10. Dhruva Shrestha and Bhagabati Shrestha, 534761 (ET)
- Petition for Rehearing
 11. Jing Shen, 424037 (EA)

G2. Franchise and Income Tax MattersMs. Kelly

- Decisions
 1. B&B Plastics Recyclers, Inc., 519228
 2. Elizabeth R. Cawthon, 513543
 3. Ronald Cooper, 490242
 4. Richard Cunningham and Claudia Cunningham, 443294
 5. Jay B. Johnson, 495667
 6. Saeed Kazmi and Farheen Kazmi, 483699
 7. Lionel Kolker, 483687
 8. Thomas Lenny and Joanne Lenny, 506426
 9. Dolores Onate, 505821
 10. Rio Doce, Limited, 402204
 11. Norman Schaffer, 497533
 12. Mark Taylor, 513353
 13. Gregory Van Der Meer, 491602
- Petitions for Rehearing
 14. Alison Buergel, 486887
 15. Todd Lutwak, 482917

G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.**G4. Sales and Use Taxes MattersMr. McGuire**

- Redeterminations
 1. Arrow Enterprise Computing Solutions, Inc., 355537 (OH)
 2. Daniel Bradley Woods, 514077 (GH)

- 3. Logicalis, Inc., 526567 (OH)
 - 4. Mohawk Carpet Distribution, LP, 489131 (OH)
 - Relief of Penalty/Interest
 - 5. Ralphs Grocery Company, 548069 (AA)
 - 6. Food 4 Less of California, Inc., 548071 (AA)
 - 7. Henry Schein, Inc., 547253 (OH)
 - 8. Alpha Beta Company, 548072 (AA)
 - Denials of Claims for Refund
 - 9. Harcourt Assessment, Inc., 495403 (OH)
 - 10. Hollywood Entertainment Corporation, 488216 (OH)
 - 11. Rapid-Turn, Inc., 316067 (AC)
 - 12. Home Shopping, LP, 435158 (OH)
 - 13. FMW Graphics, Inc., 510854 (AR)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credits and Cancellations
 - 1. D’Anna Yacht Center, Inc., 522295 (CH)
 - 2. Jose Fikes, 373175 (EH)
 - 3. Derek Michael Fretheim, 535358 (EA)
 - 4. Traci Lyn Fretheim, 535359 (EA)
 - 5. Charter Communications Entertainment II, LP, 539061 (OH)
 - 6. Stars Petroleum, Inc., 547878 (FH)
 - Refunds
 - 7. Chevron U.S.A., Inc., 522981 (BH)
 - 8. Chevron U.S.A., Inc., 537374 (BH)
 - 9. Sun Microsystems Federal, Inc., 548145 (BH)
 - 10. E & J Gallo Winery, 546751 (KH)
 - 11. Planechee 1, LLC, 506603 (UT)
 - 12. Wilbur-Ellis Air, LLC, 532988 (UT)
 - 13. General Electric International, Inc., 534856 (OH)
 - 14. Origin, LLC, 392155 (AC)
 - 15. Country Suites-Ontario Mills, LP, 537078 (EH)
 - 16. Country Suites-Corona West, 537079 (EH)
 - 17. Seimens Energy, Inc., 549263 (OH)
 - 18. Solelectron Corp., 548146 (GH)
 - 19. Grizzard Advertising Incorporated, 538409 (OH)
 - 20. Banc of America Leasing & Capital, 513730 (OH)
 - 21. Tyco Thermal Controls, LLC, 479384 (BH)
 - 22. Harcourt Assessment, Inc., 495403 (OH)
 - 23. Sierra Central Credit Union, 524178 (KH)
 - 24. Sacramento Credit Union, 524301 (KH)
 - 25. Universal Fuels, Inc., 520563 (OH)
 - 26. Verisign, Inc., 478406 (GH)
 - 27. Rapid-Turn, Inc., 316067 (AC)
 - 28. Arcadia Financial, Ltd, 522925 (OH)
 - 29. GC Air, LLC, 536830 (OH)
 - 30. Sonic-Calabasas A., Inc., 483993 (AC)

31. Home Shopping, LP, 435158 (OH)
32. The Trizetto Group, Inc., 539507 (EA)
33. Infinera Corporation, 547388 (GH)
34. Triton Acceptance Corporation, 497109 (EA)
35. DSI Video Systems, LLC, 476666 (OH)
36. Hollywood Park Racing Association, LLC, 536715 (AS)
37. Kern Schools Federal Credit Union, 518685 (AR)

G6. Special Taxes Matters Mr. Gau
 ➤ Relief of Penalty

1. Sequoia Insurance Company, 522483 (ET) 'CF'

G7. Special Taxes Matters – Credits, Cancellations, and Refunds
 There are no items for this matter.

G8. Property Tax Matters Mr. Gau

- Petitions for Reassessment of Unitary Value
 1. Sierra Pacific Power Company (0146), 538065 'CF'
 2. Mountain Utilities, LLC (0185), 538245 'CF'
 3. Orange Grove Energy, L.P. (1155), 537372 'CF'
 4. Qwest Communications Corporation (2463), 538252 'CF'
 5. Sprint PCS, L.P. (2720), 538242 'CF'
- Petition for Reassessment and Penalty Abatement on Unitary Value
 6. Telmex USA, LLC (7866), 538062 'CF'
- Petition for Penalty Abatement on Unitary Escape Assessment
 7. Helio, LLC (2774), 538853 'CF'

There are no items for the following matters:

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

H1. Legal Appeals MattersMr. Levine

- Hearing Notice Sent – No Response
 1. Skiers Quest, Inc., 361773 (JH) +
- Cases Heard Not Decided
 2. Macromedia, Inc., 461946 (BH) +
 - 3a. Woodland Hills Car Wash, Inc., 299486 (AC) +
 - 3b. Bhupinder Singh Mac, 299487 (AC) +
 4. Jason R. Pridmore, 421508 (UT) +
 5. Maherali, Inc., 343758 (KH) +
 6. Mas N Zul, Inc., 434597 (AR) +
 7. D&H Service Station Corporation, 435924 (EA) +
- Petition for Release of Seized Property
 8. Kil Hwan Chang and Myong Jo Chang, 474045 (ET) +

H2. Franchise and Income Tax MattersMs. Kelly

➤ Decisions

1. Thomas A. Leonardini and Karen M. Leonardini, 449478
2. Daniel C. Lorti, 521843
3. Shiro Shiozawa, 468726
4. Leonard Shlain (Deceased) and Ina Gyemant, 485102

➤ Petitions for Rehearing

5. Bruce Culver and Donna Turner Culver, 480448
6. Donald A. Wattson and Christine A. Wattson, 446005

➤ Opinion

7. NASSCO Holdings, Inc., 317434

There are no items for the following matters:

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire

➤ Credit and Cancellation

1. Carrolandia #1 Auto Sales, Inc., 547284 (AS)

➤ Refund

2. California Coast Credit Union, 465442 (FH)

There are no items for the following matters:

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

I1. Property Taxes Matters..... Mr. Gau

➤ Audit

1. NTT America, Inc. (7732) 'CF'

➤ Unitary Land Escaped Assessments

- 2a. AT&T Mobility, LLC (2606) 'CF'
- 2b. MetroPCS California, LLC (2733) 'CF'
- 2c. Cricket Communications, Inc. (2762) 'CF'

➤ Unitary Land Escaped Assessments

3. Audeamus, LLC (7824) 'CF'
4. Nationwide Telecom, Inc. (8026) 'CF'
5. Ekit.Com, Inc., (8102) 'CF'
6. Bandwidth.com CLEC, LLC (8122) 'CF'

➤ Board Roll Changes

7. 2007, 2008, 2009, and 2010 Board Rolls of State-Assessed Property 'CF'

I2. Offers in Compromise RecommendationsMs. Ogrod/ Ms. Fong

1. Douglas Newton and Discount Office Furniture
2. Anna Fuentes
3. Jeries Izhaq and Nemeh Zarou
4. Terrance C. La Torre and Eproson Enterprises
5. John A. Paquette
6. Lou Gaydos
7. Michael Varnes Surfside Motors/PME Motors, LLC

I3. Local Tax Reallocation Matters.....Ms. Nienow

➤ Decisions

1. Cities of Alameda, Anaheim, Brea, Camarillo, Campbell, Concord, Corona, Culver City, Cypress, Danville, El Monte, El Segundo, Escondido, Foster City, Fresno, Fullerton, Hayward, Irvine, La Palma, Larkspur, Long Beach, Los Angeles, Los Gatos, Manhattan Beach, Martinez, Milpitas, Monterey, Napa, Newport Beach, Ontario, Orange, Palo Alto, Pomona, Redwood City, Riverside, Roseville, Sacramento, San Bernardino, San Bruno, San Clemente, San Diego, San Jose, San Leandro, San Mateo, San Ramon, Santa Ana, Santa Clara, Santa Fe Springs, Santa Monica, South San Francisco, Thousand Oaks, Torrance, Tustin, Union City, Vallejo, Ventura, Walnut Creek, and County of Sacramento

490756, 490756, 491066, 491123, 491130, 491166, 491167, 491169, 491171, 491172, 491174, 491353, 491356, 491495, 491503, 491820, 491826, 491847, 491863, 491867, 491884, 491888, 491901, 491902, 491905, 491952, 491953, 491982, 491986, 491997, 492012, 492013, 492032, 492035, 492038, 492062, 492064, 492079, 492080, 492081, 492086, 492087, 492326, 492328, 492388, 492448, 492901, 492902, 492903, 492906, 492910, 492920, 492924, 492928, 492941, 492943, 493062, 493064, 493065, 493066, 493070, 493073, 493228, 493229, 493233, 493234, 493239, 493242, 493252, 493280, 493281, 493284, 493290, 493291, 493294, 493317, 493318, 493320, 493331, 493333, 493336, 493340, 493741, 493750, 493754, 493755, 493909, 493910, 493914, 493915, 493919, 494296, 494302, 494327, 494329, 494353, 494354, 494356, 494357, 494368, 494375, 494376, 494405, 494409, 494424, 494428, 494447, 494449, 494455, 494457, 494462, 494463, 494469, 494479, 494480, 494481, 494628, 494630, 495086, 495093, 495100, 495121, 495123, 495128, 495129, 495140, 495143, 495145, 495146, 495147, 495148, 495186, 495187, 495193, 495195, 495282, 495283, 495286, 495287, 495297, 495301, 495304, 495307, 495308, 495310, 495312, 495313, 495318, 495319, 495321, 495728, 495729, 495730, 495731, 495732, 495747, 495748, 495750, 495751, 495752, 495760, 495761, 495763, 495764, 495767, 495768, 495771, 495772,

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510274, 510275, 510276, 510277, 510298, 510408, 510409,
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510623, 510624, 510625, 510626, 510627, 510628, 510629,
510683, 510685, 510766, 510767, 510768 +

2. Cities of Alameda, Anaheim, Belmont, Berkeley, Beverly Hills, Brea, Calabasas, Campbell, Carlsbad, Concord, Culver City, Cupertino, Cypress, El Segundo, Emeryville, Escondido, Foster City, Fresno, Fullerton, Hayward, Irvine, La Palma, Los Angeles, Manhattan Beach, Manteca, Milpitas, Modesto, Newport Beach, Oceanside, Ontario, Orange, Petaluma Pomona, Redwood City, Riverside, Roseville, Sacramento, San Bernardino, San Bruno, San Diego, San Jose, San Leandro, San Mateo, San Ramon, Santa Ana, Santa Barbara, Santa Clara, Santa Fe Springs, Santa Monica, Saratoga, Torrance, Tustin, Ventura, Walnut Creek, West Sacramento, And County of Sacramento

489424, 491102, 491105, 491112, 491119, 491827, 491830,
491870, 491955, 491961, 492010, 492019, 492020, 492022,
492023, 492042, 492045, 492065, 492071, 492076, 492077,
492078, 492082, 492083, 492085, 492088, 492116, 492324,
492382, 492383, 492385, 492386, 492937, 492939, 493231,
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510776, 510777 +

1:30 p.m. Board Meeting Reconvenes**

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1. John Douglas Bailey, 382279 (CH) +

For Petitioner:	John Douglas Bailey, Taxpayer
	Charles R. Billings, Attorney
	Katherine Kruss, Witness
For Department:	Cary Huxsoll, Tax Counsel

- C2. [Mark Dieter Hanf, 449688 \(CH\) +](#)
For Petitioner: Mark Hanf, Taxpayer
For Department: Scott Claremon, Tax Counsel
- C3. [Five Friends, 472975 \(JH\) +](#)
For Petitioner: John Roscoe, Representative
Ned Roscoe, Representative
William Bernheim, Attorney
For Department: Chris Schutz, Tax Counsel
- C4. [Rong Gin, Inc., 448665 \(GH\) +](#)
For Petitioner: John C. Liu, Representative
For Department: Scott Lambert, Hearing Representative
- C5. [Lavjinder Singh, 415065 \(GH\) +](#)
For Petitioner: Lavjinder Singh, Taxpayer
For Department: Andrew Kwee, Tax Counsel

Adjourn - The meeting will reconvene on Thursday, November 18, 2010, at 9:30 a.m.

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If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this Item.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



STATE BOARD OF EQUALIZATION

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First District, San Francisco

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

BARBARA ALBY
Acting Member
Second District, Sacramento

KRISTINE CAZADD
Interim Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
November 16-18, 2010
NOTICE AND AGENDA
Meeting Agenda (as of 5:00 p.m., 11/05/10)

Agenda Changes

[Webcast on Thursday, November 18, 2010](#)

Thursday, November 18, 2010

9:30 a.m. Board Meeting Reconvenes**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Meeting**

B. Corporate Franchise and Personal Income Tax Hearing
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

B4. [Frank J. Vigil, 402865 +](#)

For Appellant: Frank Vigil, Taxpayer
For Franchise Tax Board: Ron Hofsdal, Tax Counsel
Teresa Wignall, Tax Counsel

C. Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C6. [John Ray James Ford, 436515 \(JH\) +](#)

For Petitioner: John Ford, Taxpayer
For Department: Andrew Kwee, Tax Counsel

C7. [R-Tek Communications, Inc., 461499 \(KH\) +](#)

For Petitioner: Rod Place, Taxpayer
Rob Gross, Representative
For Department: Cary Huxsoll, Tax Counsel

- C8. [Greg L. Moylan, 403554, 479953 \(JH\) +](#)
 For Petitioner: Greg Moylan, Taxpayer
 For Department: Cary Huxsoll, Tax Counsel
- C9. [David Anthony Miramontez, 402645, 492370 \(JH\) +](#)
 For Petitioner: David A. Miramontez, Taxpayer
 For Department: Cary Huxsoll, Tax Counsel

D. Special Taxes Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- D1. [Mark S. Harris, 382766, 382767 \(ET\) +](#)
 For Petitioner: Mark S. Harris, Taxpayer
 For Department: Pam Mash, Tax Counsel

Administrative Session

- N. **Consent Agenda** Ms. Olson
 (Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

N1. [Retirement Resolutions +](#)

- Mitchell Cari
- Rachael Garza
- David A. Harley
- September Hope
- Fe-Therese Juarez
- Karen L. Knowles
- Melissa Lewis
- Dave Love
- Monica Merritt
- Robin Sangmaster
- Gary A. Vanderzanden
- Alex Viripaeff

N2. Approval of Board Meeting Minutes

- [July 13-15, 2010 +](#)
- [August 24-25, 2010 +](#)

N3. [Approval of Assessors' Handbook Section 531, *Residential Building Costs* +](#)

Request approval for publication of 2011 revision of Assessors' Handbook 531, *Residential Building Costs*.

N4. [Approval of Assessors' Handbook Section 534, *Rural Building Costs* +](#)

Request approval for publication of 2011 revision of Assessors' Handbook 534, *Rural Building Costs*.

N5. Approval of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* +

Request approval for publication of 2011 revision of Assessors' Handbook 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*.

N6. Proposed Revisions to Audit Manual Chapter 4, *General Audit Procedures* +

Approval sought to update sections 0409.50 and 0409.60 to incorporate updated procedures regarding acceptance of resale certificates.

N7. Approval of 2011 Timberland Production Zone Values +

For the 2011 lien date, request approval for certification by the Board to county assessors of the current values of lands zoned for timberland production.

O. Adoption of Board Committee Reports and Approval of Committee Actions

O1. Business Taxes Committee

O2. Legislative Committee

Announcement of Closed Session Ms. Olson

Q. Closed Session

Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11).

Q2. Pending litigation: *Daimler Chrysler Corporation v. State Board of Equalization*, San Francisco County Superior Court, Case No. CCC07-459702; *Mercedes Benz USA, LLC v. State Board of Equalization*, San Francisco County Superior Court Case No. CGC 08-471310 (Gov. Code § 11126(e)).

Q3. Pending litigation: *Governor Arnold Schwarzenegger, et al. v. State Controller John Chiang, et al.*, Sacramento County Superior Court, Case No. 34-2009-80000158 (Gov. Code § 11126(e)).

Q4. Pending litigation: *Schroeder, et al. v. State Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. State Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. State Board of Equalization, et al.*, Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i)).

Q5. Discussion and action on personnel matters (Gov. Code § 11126(a)).

Announcement of Open Session..... Ms. Olson

Adjourn

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